

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7131

BILL NUMBER: SB 409

NOTE PREPARED: Feb 10, 2015

BILL AMENDED:

SUBJECT: Court Fees.

FIRST AUTHOR: Sen. Merritt

FIRST SPONSOR: Rep. Huston

BILL STATUS: As Passed Senate

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: The bill extends the Mortgage Foreclosure Counseling and Education Court Fee until July 1, 2017.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues: *Summary:* The Mortgage Foreclosure Counseling and Education Court Fee (MFC Fee) expired on January 1, 2015. The bill would reestablish the \$50 MFC Fee. It is estimated that the fee would raise \$1.2 M in revenue during FY 2016.

Additional Information- Actual revenue, prior to the expiration of the MFC fee, was \$1.3 M in FY 2013 and \$1.1 M in FY 2014. The MFC Fee is collected by courts at the time a civil action involving a mortgage foreclosure is filed. Revenue from the MFC Fee is deposited in the state General Fund (Home Ownership Education Account) for home ownership or foreclosure counseling and education programs, including the Mortgage Foreclosure Trial Court Assistance Project. The Assistance Project is operated by the Indiana Division of Courts Administration, the Housing and Community Development Authority, and trial courts in participating counties.

As of January 2015, data from 20 participating counties in the Assistance Project indicated 2,391 requested conferences with a 43% workout rate for CY 2014. Approximately \$400,000 was expended for the contracted services of the conference facilitators during CY 2014. The General Assembly appropriated \$1.7 M during

FY 2015 from the Home Ownership Education Account.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Division of Courts Administration, Indiana Housing and Community Development Authority.

Local Agencies Affected: Trial courts.

Information Sources: Mark Neyland, Indiana Housing and Community Development Authority, 234-6976; Elizabeth Daulton, Indiana Division of Courts Administration, 234-7155; Budget Agency Auditor's Date Report 6/30/2014.

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